

FINANCIAL AFFIDAVIT

IN SUPPORT OF REQUEST FOR ATTORNEY, EXPERT, OR OTHER SERVICES WITHOUT PAYMENT OF FEE

IN THE UNITED STATES ☒ DISTRICT COURT ☐ COURT OF APPEALS ☐ OTHER (Specify below)
IN THE CASE OF

United States of America v. Michael Avenatti

FOR
Southern District of New York
AT
Manhattan, New York

LOCATION NUMBER

PERSON REPRESENTED (Show your full name)

Michael John Avenatti

CHARGE/OFFENSE (describe if applicable & check box→)

☒ Felony
☐ Misdemeanor

Multiple count indictment charging wire fraud, etc.

- 1 ☒ Defendant - Adult
- 2 ☐ Defendant - Juvenile
- 3 ☐ Appellant
- 4 ☐ Probation Violator
- 5 ☐ Supervised Release Violator
- 5 ☐ Habeas Petitioner
- 7 ☐ 2255 Petitioner
- 8 ☐ Material Witness
- 9 ☐ Other (Specify)

DOCKET NUMBERS

Magistrate Judge

District Court
19 Cr. 374 (JMF)

Court of Appeals

ANSWERS TO QUESTIONS REGARDING ABILITY TO PAY

INCOME & ASSETS	EMPLOYMENT	Are you now employed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Self-Employed Name and address of employer: See attached IF YES, how much do you earn per month? \$ _____ IF NO, give month and year of last employment? _____ How much did you earn per month? \$ _____ If married, is your spouse employed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No IF YES, how much does your spouse earn per month? \$ See attached If you are a minor under age 21, what is the approximate monthly income of your parent(s) or guardian(s)? \$ _____
	OTHER INCOME	Have you received within the past 12 months any income from a business, profession or other form of self-employment, or in the form of rent payments, interest, dividends, retirement or annuity payments, or other sources? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No RECEIVED SOURCES IF YES, give the amount received and identify the sources \$ See attached \$ _____ \$ _____ \$ _____
	CASH	Do you have any cash on hand or money in savings or checking accounts? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No IF YES, total amount? \$ See attached
	PROPERTY	Do you own any real estate, stocks, bonds, notes, automobiles, or other valuable property (excluding ordinary household furnishings and clothing)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No VALUE DESCRIPTION IF YES, give value and description for each \$ See attached \$ _____ \$ _____ \$ _____

OBLIGATIONS & DEBTS

DEPENDENTS	MARITAL STATUS Single _____ Married _____ Widowed _____ <input checked="" type="checkbox"/> Separated or Divorced	Total No. of Dependents _____	List persons you actually support and your relationship to them See attached
	DEBTS & MONTHLY BILLS (Rent, utilities, loans, charge accounts, etc.)	DESCRIPTION	TOTAL DEBT MONTHLY PAYMENT
See attached		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____

I certify under penalty of perjury that the foregoing is true and correct.

SIGNATURE OF DEFENDANT
(OR PERSON REPRESENTED)

7/30/2020

Date



APPROVED



DENIED

FD/CJA/RET. ATTORNEY

(PRINT)

ASSISTANT UNITED STATES ATTORNEY (PRINT)

SIGNATURE OF JUDICIAL OFFICER

DATE

Attachment to Form CJA 23 (filed under seal)

1
2 1. I am presently on home confinement and residing in Venice, California with
3 a friend, [REDACTED]. The residence has two bedrooms and one bathroom, with
4 approximately 1000 square feet of living space. I sleep on an air mattress in one of the
5 bedrooms.
6

7 2. In the last 12 months, my gross income totaled less than \$150,000. For the
8 last six months, since my remand to custody on January 15, 2020, I have been unable to
9 earn any income.
10

11 3. I was previously employed primarily as a lawyer, licensed to practice in the
12 State of California since June of 2000. I am currently unemployed due to the current
13 conditions of my home confinement, my February 14, 2020 conviction in New York in
14 the case of United States v. Avenatti, (U.S. District Court Case No. 1:19-CR-00373-
15 PGG (SDNY) (the “Nike” matter)), and my subsequent suspension from the practice of
16 law by the State Bar of California. I do not know if or when I will be able to work again,
17 either in the legal profession or in any other profession.
18
19
20

21 4. Due to my current financial condition, I am unable to pay rent or pay my
22 general living expenses. I rely on family, friends and supporters to pay for these
23 expenses.
24

25 5. My liabilities (i.e. debts) greatly exceed my assets by millions of dollars.
26 For instance, I have over \$11 million in judgments against me as claimed by the
27 government in my recent criminal trial in New York relating to Nike. This does not
28

1 include millions in additional judgments that are likely to accrue from other litigation in
2 which I am a defendant. These additional judgments could total an additional \$10
3 million or more in the coming months. Further, I have substantial additional debts
4 totaling in excess of \$750,000, including past due amounts owed to legal counsel other
5 than [REDACTED] and amounts owed under my prior residential lease as a result of my
6 eviction.
7

8
9 6. I understand the term “liquid assets” to be defined as cash, cash equivalents
10 (i.e. checks), monies on deposit, bonds, publicly traded stocks and securities, and
11 precious metals. I presently have less than \$1,000 in liquid assets, which consists of
12 cash and cash on deposit. I do not have any bank account located outside the United
13 States nor have I ever had any bank account located outside the United States.
14

15 7. I do not own any real property or any interest in any real property.
16

17 8. During the last 24 months, judgment creditors have seized various assets
18 from me including cars, watches, stock, cash on deposit, and art. I presently do not own
19 any automobiles, watches valued at over \$500, jewelry valued at over \$500, or art valued
20 at over \$500. I do own household items, and furnishings and clothes, although I believe
21 their market value is negligible.
22

23 9. My “net resources,” which I understand to be liquid assets minus (i) debts,
24 including judgments, and (ii) living expenses for me and my dependents, are a negative
25 number in the millions of dollars. Even my liquid assets minus my current living
26 expenses alone is a negative number.
27
28

1 10. My immediate family consists of my two minor daughters, my minor son,
2 my parents (both in their 80s with limited income), and my estranged wife [REDACTED]
3 [REDACTED], who I have not spoken with in over six months. I also have a half-
4 brother and half-sister, but I am not close with them and have not seen them in over 20
5 years. None of my immediate family members have indicated a willingness and
6 financial ability to assist me with my defense.
7

8 11. I am married, but have been separated from my second wife, [REDACTED]
9 [REDACTED], since 2017. We were married before separating for approximately six years
10 and are presently embroiled in a contentious divorce proceeding in Orange County,
11 California. I believe [REDACTED] is employed, but I have no knowledge as to her
12 income or finances, nor am I receiving any support or assistance from her.
13

14 12. I have one child from the marriage to [REDACTED], a son who is
15 almost six years-old. [REDACTED] currently claims that I owe her over
16 \$2,000,000 in back spousal and child support (over \$150,000 per month), but I dispute
17 this amount because (a) it is founded on grossly inflated income and expense figures that
18 she provided to the family court and (b) fails to account for her receipt and/or
19 expenditure of over \$1,700,000 after our separation.
20

21 13. I was previously married to [REDACTED]. We were divorced in
22 2007 after 13 years of marriage. I have two minor daughters from our marriage, one is
23 15 years-old and one is 17 years-old. In reliance on the government's allegations in the
24 indictment in the California criminal case regarding my alleged income and the inflated
25
26
27
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1 numbers used by [REDACTED] in our divorce, both of which I dispute, [REDACTED]
2 [REDACTED] is now claiming that I owe her over \$5,000,000 in back spousal and
3 child support, although no final judicial determination has been made by the family court
4 as to this alleged debt.
5

6 14. I own stock in two closely held companies that may have value: (a) Tyrian
7 Systems (aka Seek Thermal) located in Santa Barbara, California and (b) Centurion
8 Holdings I, LLC located in St. Louis, Missouri. I have never received any income from
9 either company nor am I an employee, officer or board member of either company. The
10 combined value of the stock is undetermined as the shares are not publicly traded, but it
11 is believed to be less than \$50,000. I know of no way to sell my shares now or receive
12 any cash from the shares. [REDACTED] may also have an interest in the shares as
13 a result of the community property laws in California.
14
15
16

17 15. I technically still have an interest in a private aircraft (model: HondaJet
18 420) that was seized by the government (IRS) and is still in their possession. This
19 interest is held through a single-purpose entity named Passport 420, LLC, of which I am
20 a 50% owner. The current market value of my interest, if any, is undetermined. The
21 aircraft is subject to a forfeiture action and my interest in the plane is also subject to
22 claims by other creditors holding judgments against me.
23
24

25 16. I have an ownership interest, directly or indirectly, in attorneys' fees from
26 various contingency lawsuits and the following law firms: Eagan Avenatti, LLP
27 (presently in bankruptcy); Avenatti & Associates, APC; Augustus, LLP; and Avenatti,
28

1 LLP. The current market value of my interests is undetermined and is largely dependent
2 on creditor claims and future fee revenue, if any, from cases previously handled by me
3 and the firms. It is unclear as to when, if ever, I will receive any contingency income
4 from any particular lawsuit. It is possible that these monies could be significant in the
5 future depending on the outcome of various cases/appeals, but the amount or likelihood
6 of success is presently unknown. I know of no way to monetize my interests in order to
7 raise monies for my defense.
8
9

10 17. I own a membership interest in a time-share similar vacation club named
11 Exclusive Resorts, which was purchased in approximately 2009. The current market
12 value, if any, is undetermined, especially because (a) there are significant restrictions on
13 transfer of the membership imposed by the club and (b) if you do not pay your yearly
14 dues, which I have not, you risk losing the value of the membership. I know of no way
15 to monetize this interest as I am informed that the interest cannot be transferred outside
16 of my immediate family.
17
18

19 18. I own various life, book and movie rights relating to my story and my life.
20 The current market value of these rights, if any, is undetermined.
21

22 19. I may have rights to seek to recover monies from one or more parties
23 relating to legal claims I may have. This includes, but is not limited to, my second wife
24 [REDACTED] and [REDACTED]. The value of these rights, if any, is
25 undetermined.
26
27
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1 20. I am a party to various lawsuits (as a defendant and as a plaintiff). In
2 connection with these lawsuits, I may have a right to damages and/or attorneys' fees,
3 although I do not expect to receive any such monies in the near term. Some of these
4 lawsuits may also result in additional judgments against me.
5

6 21. In the recent trial in the *Nike* matter, the government repeatedly referenced
7 my alleged poor financial condition, lack of assets and income, and deep indebtedness in
8 the Spring of 2019 as evidence that I committed extortion and honest services fraud
9 against Nike and my client. They offered this evidence and argument before the jury
10 over the repeated objection of the defense, including a motion *in limine*. This evidence
11 and argument served as one of the centerpieces of the prosecution and was highlighted in
12 the government's closing statement. The record in the *Nike* case is replete with
13 references to the government's claims in that case before the judge and jury that I was
14 deeply in debt, had negligible assets and no way of paying any expenses in the Spring of
15 2019. *See, e.g.*, Exhibit GX S-4 (government's trial exhibit showing outstanding civil
16 judgments against me that exceeded \$11 million) and *Nike* Docket No. 108 (Case No.
17 1:19-CR-00373-PGG: Government's opposition to Mr. Avenatti's motion in limine
18 regarding his financial condition).
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